

# EXHIBIT 4

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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SHAMA GEMS, INC. doing business as GEM  
INTERNATIONAL,

Plaintiff,

-against-

R & R GROSBARD, INC., ROBERT  
GROSBARD, RICHARD GROSBARD,  
and RITESH SHAH,

Defendants.

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Case No.

**DECLARATION OF  
PARAG SHAH**

STATE OF NEW YORK     )  
                                  : ss.:  
COUNTY OF NEW YORK    )

PARAG SHAH declares as follows:

1. I am a Vice President and principal of plaintiff Shama Gems, Inc., doing business as Gem International ("Gem Int'l"). I have been associated with this company for the past 17 years. I submit this declaration in support of plaintiff's application for a preliminary injunction with temporary restraints.

2. On or about May 28, 2002, I entered into a Patent License Agreement, on behalf of Shama Gems, Inc., doing business as Gem International, with Edwin B. Cutshall, the inventor and patent holder of United States Design Patent No. D444,097 S issued on June 26, 2001 (hereinafter "the '097 Patent"), whereby Gem Int'l was granted sole, exclusive, worldwide rights

to manufacture, market and sell *diamond* products made in accordance with the '097 patent. This Patent License Agreement remains in full force and effect.

3. Since entering into the licensing agreement, Gem Int'l has actively manufactured, marketed and sold loose diamonds and diamond rings, utilizing the design patent, under the *Jubilant Crown*® name, with the diamond cut gaining national prominence with advertisements appearing in such periodicals as *Harper's Bazaar*, *Town & Country*, *W Magazine* and *Modern Bride*, as well as its regular inclusion in *Rapaport Diamond Report*, the industry's leading, weekly wholesale diamond price list used by dealers worldwide to track market price fluctuations.

4. In early 2007, I began negotiations with a family-connected diamond wholesale business, Shah Diamonds, Inc., to distribute a diamond cut in the *Jubilant Crown*® design, albeit with a lower grade of diamond and at a lower price point, under the trademarked *Gemcrown*® name.

5. Not long thereafter, in April of this year, I learned that one of Gem Int'l's competitors, R & R Grosbard, Inc. ("Grosbard"), had misappropriated the '097 Patent and was actively manufacturing, marketing and selling the diamond cut as the "Remy diamond".

6. As a result of subsequent investigation, I learned that Ritesh (aka "Ricky") Shah, who worked as a Gem Int'l salesman from approximately November 2000 through November 2005, began employment with Grosbard in early 2006. Upon further information, I have come to believe that Ricky Shah, who had ready access to the *Jubilant Crown*® designs and diagrams, appropriated the design patent as his own and persuaded Grosbard and its principals, Richard Grosbard and Robert Grosbard, to use the design in its diamond production, marketing it as the Remy diamond. I have further learned that, in presenting or marketing the infringing product to

retailers, Grosbard agents have misrepresented that Grosbard had either legally secured the design patent rights for the Remy diamond or that a patent was pending, when neither scenario was the case.

7. In June of this year, I attended the JCK Show, a jewelry convention held annually in Las Vegas, featuring more than 3,000 exhibitors, including Grosbard, Shah Diamonds and Gem Int'l, and attended by over 20,000 jewelry industry professionals. During the JCK Show, I learned that Grosbard was actively marketing its Remy diamond. Moreover, in response to our displaying samples of *Jubilant Crown*®-cut diamonds at my company's booth and Shah Diamond's adjoining booth, I was told by multiple buyers that Grosbard's Remy diamond was a copycat of the *Jubilant Crown*® and *Gemcrown*® diamonds.

8. Specifically, Liz Maggio, of Florida-based Reflection in Gold, upon seeing the sample *Gemcrown*®, advised that this is "exactly" what Grosbard is selling and that Grosbard had "completely copied" the cut, calling it a "Remy". Ms. Maggio further stated that Grosbard's Ritesh Shah had been calling almost weekly to solicit her business. In addition, she mentioned that Don Basch Jewelers in Ohio was also buying the Remy.

9. Also during the June 2007 convention, diamond buyer Connie Ton for Sherwood Management in California, upon being shown a diagram of the *Jubilant Crown*® likewise observed that it "looked just like the Remy diamond."

10. In addition, I was told by a Shah Diamonds' representative manning their booth that an agent for CR Jewelers of Florida, also attending the June 2007 convention, similarly commented after seeing our diamond display, "Isn't this something the Grosbards are doing?"

11. I heard from reliable sources who attended the convention that Grosbard sold out its then current supply of Remy diamonds before the conclusion of the JCK Show. Because the



*Gemcrown*® applies the '097 Patent's design to lower grade diamonds, we are appealing to, and are in direct competition with, the same market as Grosbard's Remy diamond.

12. Grosbard's infringement of the '097 Patent and the entrée of its knock-off in the trade has had a profound impact on sales of the *Jubilant Crown*® diamond. For example, in each of the last two years, Ohio-based Don Basch Jewelers had purchased approximately \$170,000 of the *Jubilant Crown*® product annually. In 2007, as a result, upon information and belief, of Don Basch purchasing the lower-priced Remy diamond from Grosbard, this vendor has purchased a total of \$3,000 of the *Jubilant Crown*® product to date, and none since the Las Vegas convention held during the first week of June. In addition, upon information and belief, Grosbard has solicited sale of the Remy diamond to two other existing customers, the aforementioned Reflections in Gold and the Maryland-based Dickinson Jewelers, costing our company at least \$250,000 annually in combined losses from these three customers alone.

13. In addition, as a result of the patent-infringing Remy diamond's encroachment in the trade, two potential and substantial clients have balked at purchasing the *Jubilant Crown*® product. In the case of Sherwood Management, a large, multi-chain jewelry franchise, my company recently learned that, after consideration of both diamonds, Sherwood has decided to purchase the Remy from Grosbard over the *Jubilant Crown*®. In a separate instance, Leading Jewelers, a conglomeration of high quality, independent jewelry stores, has refused to even consider the purchase of the *Jubilant Crown*® diamond until this dispute is resolved. The combined lost business opportunities from these two enterprises alone will likely exceed over \$1 million annually.

A small, stylized handwritten signature in black ink, appearing to be the initials 'PS'.

I declare under penalty of perjury that the foregoing is true and correct. Executed on the  
day of October, 2007.

A handwritten signature in black ink that reads 'Parag Shah'. The signature is written over a horizontal line, and the name 'PARAG SHAH' is printed in capital letters directly below the line.

# EXHIBIT 5

A HARPER'S BAZAAR PROMOTION

## GEM INTERNATIONAL

Radiant rings from Gem International's Emotions Collection are sure to seduce. Each features the Jubilant Crown diamond. Passion exquisitely celebrates the four cornerstones of devotion, Breathless shines with timeless beauty, and two styles of Fever embody infatuation and desire. For more information, call 800-840-2112 or visit [www.jcdiamond.com](http://www.jcdiamond.com).





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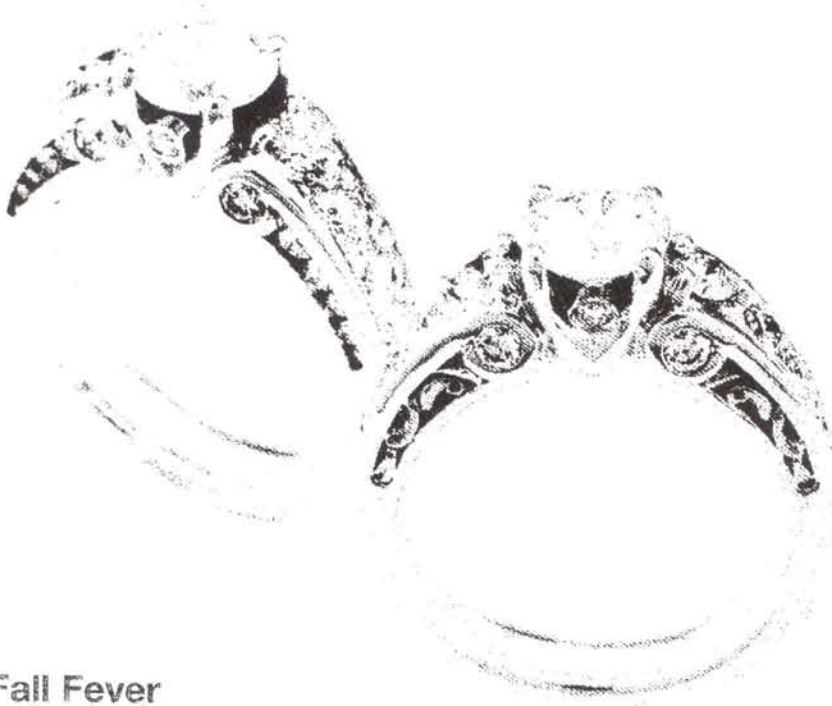
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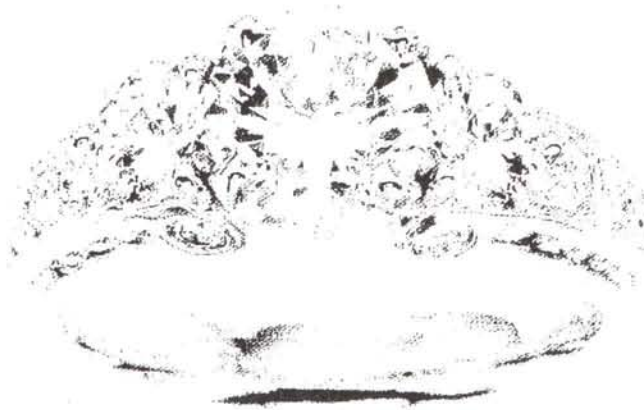
# MODERN



## Fall Fever

"Will you marry me?" is more memorable when asked with a Jubilant Crown® Diamond. Inspired by the Jubilee diamond created for Queen Victoria, these hand fabricated designer rings called "Fever," by Timothy Gordy, will captivate you. The Jubilant Crown's 73 facets create unsurpassed fire and brilliance that will seduce every sense. Experience it for yourself at one of our exclusive retailers. To find a store near you please call Gem International at 800-840-2112 or visit [www.jcirdiamond.com](http://www.jcirdiamond.com).





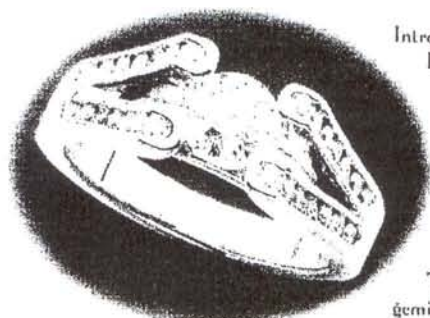
### Ring in *Emotions Collection*

Exclusively from the Emotions Collection featuring the Jubilant Crown® Diamond, the "Fever" ring is a striking platinum three-stone diamond ring that captivates untamed desire. The Jubilant Crown's 73 facets make the diamond remarkably more brilliant versus a conventional round diamond's 57 facets, while appearing considerably whiter and cleaner than a regular-cut of the same quality. Exclusively available through Gern International's network of fine jewelers, please call 1-800-840-2112 or visit [www.jcirdiamond.com](http://www.jcirdiamond.com) for a retailer near you.

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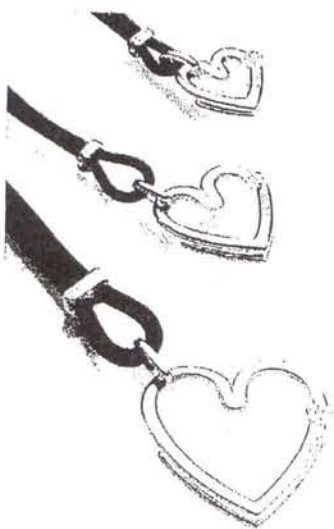


Introducing Passion... the tantalizing ring from the Emotions Collection, featuring the patented Jubilant Crown® diamond. This exotic cut diamond features 16 additional facets creating unsurpassed brilliance.

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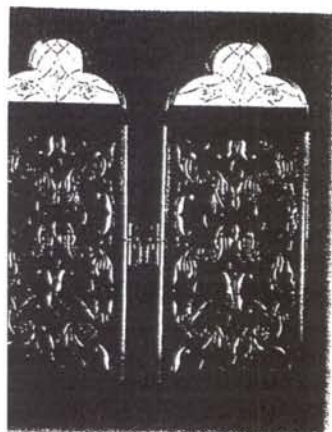
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- SuperClubs Grand Lido Negril
- Symphony Bridal Veils
- Tavern on the Green
- T-Fal
- TLC's A Wedding Story
- Touch Ups
- Towle Silversmiths

## [all that glitters]

Continued from page 60

### TREND

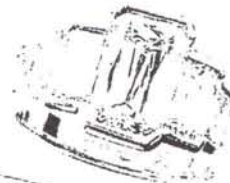
These diamond rings *cut* to the chase!  
Which one will capture your heart?



**ROYAL TREATMENT**  
This Royal Asscher cut diamond ring combines contemporary technology with classic style—it's a revived historical design (circa 1902).

**BE WINE**  
Stare into a Lovefire diamond—showcased here in 14K gold and enhanced by six channel-set diamonds—and you'll see visions of hearts and arrows in the alignment of facets.

**SEE THE LIGHT**  
Rectangular diamonds are rarely very brilliant—which is why the fiery Crisscut diamonds glittering in this bold ring by Christopher Designs are so special!



**CROWN JEWEL**  
We love this fiery trio of round Jubilant Crown diamonds (inspired by the Victorian-era "jubilee" cut) from Gem International.



**GRADE: A+**  
This Asprey Cut diamond (in a handsome platinum setting) features 61 facets and is distinguished by four "As" around the edges.



## Playing PRINCESS

Think that one-carat diamond solitaire you've been eyeing is beyond your reach? It might be—they don't come cheap. So we were excited to find out about the **Q'uortia Collection** by jewelry designer Oro Alexander, whose engagement rings capture the look of a one-carat diamond—without busting your budget. How do they do it? The stone is actually made up of four separate brilliant-cut diamonds (each shaped like a pie wedge) configured to resemble a traditional round solitaire. Amazingly, the diamond features a total of 96 facets, surpassing the 62 facets generally associated with a one-carat solitaire.

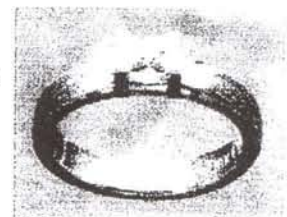
Rings are \$1,200 to \$5,000; go to [www.quortia.com](http://www.quortia.com).

—Andrea Adams

**EIGHT IS ENOUGH**  
This ring, by George Sawyer, features a Context Cut diamond with eight facets. The cut is based on the octahedral crystal, the form in which diamonds naturally occur.



**PERFECTLY BALANCE**  
A gleaming ring by Scott Kay Platinum makes the Rand diamond from Codiam, with its perfectly symmetrical facets, look especially lively.



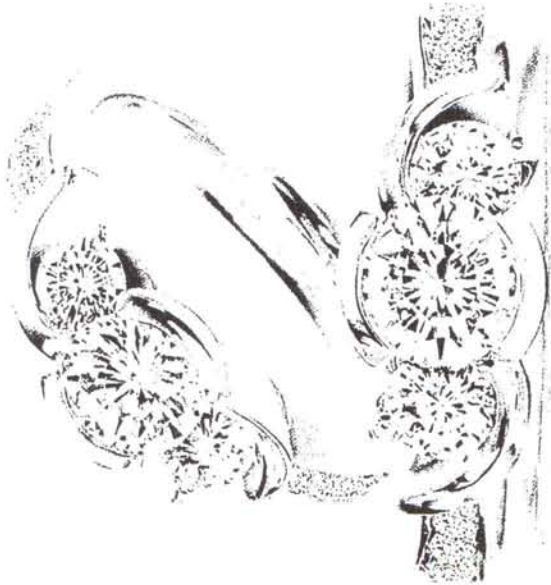
**WHAT'S BRILLIANT**  
For maximum sparkle, try a round-shaped, brilliant-cut diamond such as the one winking at you in this exquisite solitaire ring by Kwiat.

**FLOWER POWER**  
The center stone of this design by Me&Ro is a rose-cut diamond—it's typified by triangular facets, a dome-shaped top and a flat base.



Advertisement

# MODERN



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